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HOUSE BILL 416

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Nick L. Salazar

FOR THE LEGISLATIVE HEALTH AND HUMAN SERVICES COMMITTEE

AN ACT

RELATING TO HEALTH CARE DATA; ESTABLISHING STANDARDS FOR
HEALTH CARE DATA AND ELECTRONIC DATA EXCHANGE; MAKING AN
APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE. -- This act may be cited as the
"Health Data and Exchange Standards Act".

Section 2. PURPOSE. -- The purpose of the Health Data and
Exchange Standards Act is to improve the efficiency and
effectiveness of the health care system and state government
by establishing data and electronic exchange standards for
health data and information, promote data sharing among state
agencies, reduce redundant data entry and duplicate databases,
streamline reporting to state agencies by the private sector,
reduce health care administrative expenses and promote the

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1 appropriate exchange of information for improved care.

2 Section 3. DEFINITIONS. -- As used in the Health Data and
3 Exchange Standards Act:

4 A. "commission" means the New Mexico health policy
5 commi ssi on;

6 B. "electronic data interchange" or "data
7 exchange" means the computer-to-computer exchange of strictly
8 formatted messages;

9 C. "health care clearinghouse" means a public or
10 private person that processes or facilitates the processing of
11 nonstandard data elements of health information into standard
12 data elements;

13 D. "health care facility" means a facility
14 licensed by the department of health;

15 E. "health data" means data or information,
16 regardless of its form or medium that:

17 (1) is created or received by a health care
18 provider, health care facility, health plan, state or
19 political subdivision, employer, life insurer, school,
20 university or health care clearinghouse; and

21 (2) relates to the physical or mental health
22 or condition of a person, the provision of health care or
23 payment for health care to a person;

24 F. "person" means an individual or other legal
25 entity, including the state or a department, agency,

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1 institution or political subdivision of the state; and

2 G. "standard-setting organization" means an
3 organization accredited by the American national standards
4 institute, including the national council for prescription
5 drug programs, that develops standards for information
6 transactions, data elements or any other standard used in the
7 implementation of the Health Data and Exchange Standards Act.

8 Section 4. HEALTH DATA STANDARDS--APPLICABILITY.--

9 A. Standards adopted pursuant to the Health Data
10 and Exchange Standards Act shall apply to the data and the
11 exchange of data between the following:

- 12 (1) licensed health care providers;
- 13 (2) licensed health care facilities;
- 14 (3) persons licensed as health insurers by
15 the insurance division of the public regulation commission;
- 16 (4) a group health plan, if the plan has
17 fifty or more participants or if it is administered by a
18 person other than the employer who established and maintains
19 the plan;
- 20 (5) state and political subdivisions paying
21 for or providing health services or collecting health data;
22 and
- 23 (6) health care clearinghouses.

24 B. Data definition standards and data exchange
25 standards adopted pursuant to the Health Data and Exchange

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1 Standards Act shall apply to the following data exchanges:

2 (1) health claims or equivalent encounter
3 information;

4 (2) enrollment and disenrollment in a health
5 plan;

6 (3) eligibility for a health plan;

7 (4) health care payment and remittance;

8 (5) health plan premium payments;

9 (6) first report of injury;

10 (7) referral certification and authorization;

11 (8) required reporting of health data to the
12 state;

13 (9) electronic transmission of medical
14 records;

15 (10) retrieval by the public or other
16 nonstate government entity of health data maintained by
17 government; and

18 (11) other clinical, financial or
19 administrative exchanges of health or health-related data
20 established by the commission by rule.

21 C. A person is considered in compliance with the
22 Health Data and Exchange Standards Act by submitting
23 nonstandard data elements to a health care clearinghouse for
24 processing into standard data elements and transmission by the
25 health care clearinghouse.

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1 D. Standards adopted pursuant to the Health Data
2 and Exchange Standards Act are applicable to data and the
3 exchange and retrieval of information between entities,
4 including state departments and agencies, but shall not
5 supersede department or agency standards and policies for
6 data, exchange and retrieval within departments or agencies.

7 Section 5. DATA STANDARDS-- ESTABLISHMENT. --

8 A. No later than January 1, 2001, the commission
9 shall adopt standard health care data definitions and
10 establish a health data dictionary and electronic data
11 exchange standards for health data.

12 B. In adopting the standard health care data
13 definitions and electronic data exchange standard for health
14 data, the commission shall:

15 (1) incorporate those standards required and
16 established pursuant to the federal Health Insurance
17 Portability and Accountability Act of 1996;

18 (2) review and take into consideration public
19 and private functional data dictionaries and electronic data
20 exchange standards currently in use;

21 (3) consult with the health information
22 alliance and the health information system advisory committee
23 memberships;

24 (4) except as provided for in Subsection C of
25 this section, use standards that have been developed or

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1 adopted by a standard-setting organization; and

2 (5) seek advice from the information systems
3 division of the general services department.

4 C. The commission may adopt a standard that is
5 different from any standard developed or adopted by a
6 standard-setting organization if:

7 (1) the different standard substantially
8 reduces costs to health care providers, health insurers or the
9 government compared to the alternative;

10 (2) the different standard minimizes the need
11 for redundant data reporting to state government by the
12 private sector or redundant data maintenance by government or
13 substantially improves the appropriate exchange of data to
14 enhance information as an asset;

15 (3) no standard-setting organization has
16 developed, adopted or modified any standard relating to a
17 standard that the commission is authorized or required to
18 adopt under the Health Data and Exchange Standards Act; or

19 (4) the different standard is required to
20 comply with the purpose of the Health Data and Exchange
21 Standards Act; and

22 (5) the standard is promulgated in accordance
23 with the commission's procedures for promulgating rules.

24 Section 6. IMPLEMENTATION. --

25 A. Except as provided in Subsection B of this

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1 section, standards adopted by the commission for all new or
2 redesigned systems shall be implemented no later than January
3 1, 2003.

4 B. The commission, after consultation with the
5 insurance division of the public regulation commission, may
6 grant a temporary waiver of compliance with provisions of the
7 Health Data and Exchange Standards Act if the requester can
8 demonstrate proof of inability to comply due to no fault of
9 its own or if compliance would impose a substantial burden
10 that outweighs the benefit to the health care system in New
11 Mexico.

12 Section 7. STANDARD MODIFICATIONS. --The commission shall
13 establish procedures for the routine review, modification,
14 enhancement and expansion of the standards.

15 Section 8. APPROPRIATION. --One hundred thirty thousand
16 dollars (\$130,000) is appropriated from the general fund to
17 the New Mexico health policy commission for expenditure in
18 fiscal year 2000 for professional services contracts necessary
19 to carry out the provisions of the Health Data and Exchange
20 Standards Act. Any unexpended or unencumbered balance
21 remaining at the end of fiscal year 2000 shall revert to the
22 general fund.

23 Section 9. EFFECTIVE DATE. --The effective date of the
24 provisions of this act is July 1, 1999.